



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

FINANCIAL AUDIT REPORT

on the

PLARIDEL WATER DISTRICT Plaridel, Bulacan

For the Year Ended December 31, 2020



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Plaridel Water District
Plaridel, Bulacan

Qualified Opinion

We have audited the financial statements of the Plaridel Water District, Plaridel, Bulacan which comprise the Statement of Financial Position as at December 31, 2020, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to Financial Statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Bases for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Plaridel Water District as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Bases for Qualified Opinion

The accuracy of the balance of the following asset, liability and equity accounts was doubtful due to the accounting errors and deficiencies that significantly misstated/misrepresented the accounts, as follows: (a) erroneous accounting entries resulted in the overstatement of the Deferred Charges, Other Prepayments, Construction in Progress, Other Payables and Retained Earnings account by ₱5,891,532.16, ₱666,001.83, ₱59,800.00, ₱4,002,459.64 and ₱481,250.00, respectively, while the Guaranty Deposits and Due from NGAs accounts were understated by ₱1,894,167.35 and ₱239,457.00, respectively; (b) non-transfer of completed projects amounting to ₱1,905,469.93 to Plant-Utility Plant in Service (UPIS) account; (c) unresolved difference of negative ₱136,121.60 in the Bank Reconciliation Statements and unaccounted difference of negative ₱110,624.00 between the ending balances of Cash Collecting Officers account and Cash Receipts Record; and (d) non-disclosure of the costs/values of untitled donated lots in the Notes to Financial Statements.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with the Code of Ethics for

Government Auditors together with the ethical requirements that are relevant to our audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide bases for our opinion.

Key Audit Matters

Except for the matters described in the *Bases for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

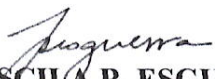
Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:


PRISCILA R. ESGUERRA
OIC-Supervising Auditor

April 7, 2021



PLARIDEL WATER DISTRICT
STATEMENT OF FINANCIAL POSITION
As at December 31, 2020
(With Comparative Figures for CY 2019)

	Note	2020	2019
ASSETS	2, 3		
Current Assets			
Cash and Cash Equivalents	4	P67,550,733.05	P59,735,954.28
Receivables, Net	5, 16	8,766,383.99	3,272,607.51
Inventories	6	7,603,461.42	5,631,495.32
Other Current Assets	7	8,679,283.03	4,757,743.39
Total Current Assets		92,599,861.49	73,397,800.50
Non-Current Assets			
Property, Plant and Equipment, Net	8	112,361,072.42	117,537,378.82
Other Investments	9	9,543,853.13	9,479,725.79
Other Non Current Assets		598,440.31	598,440.31
Total Non-Current Assets		122,503,365.86	127,615,544.92
TOTAL ASSETS		P215,103,227.35	P201,013,345.42
LIABILITIES AND EQUITY	2,3		
LIABILITIES			
Current Liabilities			
Financial Liabilities	10,16	P24,751,179.93	P21,574,118.01
Inter-Agency Payables	11	1,224,192.76	1,006,845.12
Trust Liabilities	12	6,731,093.05	6,436,972.55
Total Current Liabilities		32,706,465.74	29,017,935.68
Non-Current Liabilities			
Deferred Credits		265,199.30	265,199.30
Total Non-Current Liabilities		265,199.30	265,199.30
TOTAL LIABILITIES		32,971,665.04	29,283,134.98
EQUITY			
Government Equity		4,808,059.60	4,808,059.60
Retained Earnings		177,323,502.71	166,922,150.84
TOTAL EQUITY		182,131,562.31	171,730,210.44
TOTAL LIABILITIES AND EQUITY		P215,103,227.35	P201,013,345.42

The notes on pages 8 to 28 form part of these statements.



PLARIDEL WATER DISTRICT
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2020
(With Comparative Figures for CY 2019)

	Note	2020	2019
INCOME			
Service and Business Income		P74,103,025.19	P70,832,378.26
Other Non-Operating Income		6,293,645.26	6,009,429.84
Total Income	13	80,396,670.45	76,841,808.10
EXPENSES			
Personnel Services	14	29,392,551.04	28,801,061.77
Maintenance and Other Operating Expenses	15	36,003,182.93	27,334,572.33
Non-Cash Expenses		6,571,809.19	6,394,590.77
Total Expenses		71,967,543.16	62,530,224.87
NET INCOME		P8,429,127.29	P14,311,583.23

The notes on pages 8 to 28 form part of these statements.



PLARIDEL WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2020
(With Comparative Figures for CY 2019)

	GOVERNMENT EQUITY	RETAINED EARNINGS	TOTAL
BALANCE AT DECEMBER 31, 2019	P4,808,059.60	P166,922,150.84	P171,730,210.44
Add (Deduct):			
Net Income for the year	0.00	8,429,127.29	8,429,127.29
Other Adjustments	0.00	1,972,224.58	1,972,224.58
BALANCE AT DECEMBER 31, 2020	P4,808,059.60	P177,323,502.71	P182,131,562.31

The notes on pages 8 to 28 form part of these statements.



PLARIDEL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020
(With Comparative Figures for CY 2019)

	Note	2020	2019
Cash Flows from Operating Activities			
Cash Inflows			
Proceeds from Sale of Goods and Services		P68,001,582.61	P67,378,881.92
Collection of Income/Revenues		5,878,625.16	8,149,881.16
Collection of Receivables		4,733,115.16	4,546,193.49
Other Receipts		12,872,786.49	5,276,903.93
Total Cash Inflows		91,486,109.42	85,351,860.50
Cash Outflows			
Payment of Expenses		50,602,109.24	49,334,475.64
Purchase of Inventories		7,350,999.68	5,129,445.59
Grant of Cash Advances		830,725.21	192,753.49
Refund of Deposits		55,160.00	4,458.00
Payment of Accounts Payable		12,615,380.71	4,000,179.69
Remittance of Personnel Benefits Contributions and Mandatory Deductions		10,644,967.23	796,776.26
Reversing entry of unclaimed/unreleased checks at the beginning of the year and others		1,128,730.96	1,925,389.55
Total Cash Outflows		83,228,073.03	61,383,478.22
Net Cash Provided by (Used in) Operating Activities		8,258,036.39	23,968,382.28
Cash Flows from Investing Activities			
Cash Inflows			
Receipt of Interest Earned		67,924.88	48,559.67
Total Cash Inflows		67,924.88	48,559.67
Cash Outflows			
Purchase/Construction of PPE		511,029.50	1,796,315.00
Total Cash Outflows		511,029.50	1,796,315.00
Net Cash Provided by (Used in) Investing Activities		(443,104.62)	(1,747,755.33)
Cash Flows from Financing Activities			
Cash Outflows			
Bank Charges		153.00	0.00
Total Cash Outflows		(153.00)	0.00
Increase (Decrease) in Cash and Cash Equivalents		7,814,778.77	22,220,626.95
Cash and Cash Equivalents, January 1		59,735,954.28	37,515,327.33
Cash and Cash Equivalents, December 31	4	P67,550,733.05	P59,735,954.28

The notes on pages 8 to 28 form part of these statements.